

PRESS RELEASE

April 6, 2006

RE: UNITED STATES v. NICK B. MURATORE

United States Attorney Terrance P. Flynn announced today that Nick B. Muratore, age 59, of Penfield, New York, pled guilty before Hon. Michael A. Telesca, United States District Court Judge, to a felony Information, charging him with one count of filing a false tax return, in violation of Title 26, United States Code, Section 7206(1), carrying a maximum penalty of three years imprisonment, a fine of \$250,000, or both.

Assistant U.S. Attorney Tiffany H. Lee, who handled the case, stated that the defendant underreported his income for the tax years 1999 through 2002. For each of those tax years, he would file a federal income tax return that contained a written declaration that it was made under penalties of perjury, knowing that his tax returns were not true and correct as to every material matter. The defendant failed to report as income personal expenses paid by his corporations, failed to report as income corporate receipts which were diverted to his own personal use, failed to report all the gross receipts of his Schedule C sole proprietorships, and improperly deducted personal expenses as business expenses for the Schedule C sole proprietorships. The defendant attempted to evade the payment of over \$120,000 in taxes.

The plea was the culmination of an investigation on the part of the Internal Revenue Service-Criminal Investigation Division, under the direction of Anne Marie Coons, Special Agent in Charge.

Sentencing is scheduled for June 22, 2006, at 9:00 a.m., in front of the Hon. Michael A. Telesca.